In most cases, this bill also will allow States, if they want to, to have even a stronger bill, in most cases.

Mr. Speaker, I really appreciate this opportunity. I thank Mr. ARCURI for your patience with me. I hope we will have a chance to come back later in the day and address some of the issues of signing liability and preemption.

Mr. HASTINGS of Washington. Mr. Speaker, I reserve my time.

Mr. ARCURI. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. I thank my colleague from the Empire State, the Great State of New York, for yielding to me, and for his leadership on the Rules Committee and in so many other areas in our Congress.

Mr. Speaker, I rise in strong support of this rule for H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act. I would like to thank the Rules Committee Chairwoman, LOUISE SLAUGHTER, for crafting this rule, and I would like to thank her for making in order 18 amendments, and one amendment that I will offer later on reforms for prepayment penalties on subprime loans.

I congratulate Chairman FRANK for his stewardship on this difficult legislation, and I thank my colleagues, Congressman WATT and Congressman MILLER from the Great State of North Carolina, which passed antipredatory lending in their State legislature that has been referenced many times in committee meetings and hearings.

I also thank the staff on the Democratic and Republican side that have worked very, very hard, our individual staffs and staffs of the committee, on facing this difficult challenge.

Mr. Speaker, I believe that this legislation has been done in a fair, open, and bipartisan process. During the committee markup last week, we entertained numerous amendments and consistently worked with the ranking member and the other Republicans on the committee. The result of all the chairman's hard work on this bill was demonstrated when this bill passed the committee on a bipartisan vote of 45–19.

The bill we are considering today is carefully crafted legislation that was developed after our committee carefully considered the testimony and advice of many experts and witnesses.

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I know the Financial Institutions and Consumer Credit Subcommittee, which I chair, held a series of hearings looking into what can and should be done. I am happy to see a number of suggestions recommended by witnesses reflected in this legislation.

This was no easy task. As each and every one of us knows, the mortgage market is incredibly complex and any new proposal to clamp down on abusive practices must be done in a way that does not disrupt what is working correctly. I am proud to say that I believe this legislation has struck that delicate balance. The rule protects this legislation from amendments that may disrupt that balance, yet fairly allows for amendments that could enhance this legislation. I urge all of my colleagues to vote for this fair rule and for the underlying legislation.

Any legislation on this issue must strike a very careful balance that provides enhanced consumer protections without unnecessarily limiting the availability of loans to creditworthy borrowers. This bill contains a number of provisions that strengthen underwriting standards and provide additional protections for consumers while not unduly constraining sound lending and the secondary market. These include setting a clear standard that mortgages should be made based on a borrower's ability to repay, which is absolute common sense; setting up a system for licensing nationally; setting professional standards for mortgage brokers and an appropriate system of registration for loan officers; and setting a reasonable limits on assignee liability to ensure that investors will want to provide liquidity for housing finance.

This bill, I think, is a very strong one. It adds accountability and transparency to the system. It builds investor confidence in the system; and without that confidence, we will continue to face a growing market crisis.

We heard in our hearings from 2 to 5 million people, depending on the economists who were testifying, may lose their homes. That is more than lost their homes during the Great Depression. So the committee focused in two areas: first, on helping people stay in their homes with various measures that we passed, and this legislation going forward will prevent the types of abuses and really the turmoil in the market that was not in place because there were not oversight transparency and safeguards.

I congratulate Chairman FRANK on a very difficult balancing act, and I believe the legislation before us will not only help individuals stay in their homes, prevent abuses in the future, but will help the liquidity, stability, and creditworthiness of our entire economy. I no longer call it a subprime crisis; it's a credit crisis. We need to address it. This is tremendously important. We must pass this bill, and I urge all my colleagues to join me in voting for it.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Texas, a member of the Financial Services Committee (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to this rule.

I am very disappointed that one of the most substantial portions of the bill will not be able to be debated today as it was in committee. That has to do with the entirety of the issue of what is known as ''assignee liability.'' It's a very important part of the provision. It deserves to be fully aired on the floor of the House. I am disappointed that the Rules Committee did not find this particular amendment in order.

Mr. Speaker, I submitted two amendments to the Rules Committee, one of which I have been led to believe the chairman of the full committee is going to accept. So it's kind of interesting, the one of the more controversial nature, and actually one that is more substantive, unfortunately, was not found in order.

Mr. Speaker, we know how important it is that we have a vibrant secondary market to add liquidity to that market so that people can realize their dream, the American Dream of owning their own home. Nobody denies that we face great challenges in our subprime market, and I don't think anybody denies that it has the potential to have a great disruption in our economy. But many of us question whether this bill is going to make matters worse or make it better. I believe, Mr. Speaker, it is going to make matters worse.

And one of the matters in the bill that is going to make matters worse is assignee liability. People who choose to invest by having a piece of a group of mortgages and they buy that on what is known as the secondary market, all of a sudden they are going to have legal liability for what somebody else may or may not have done.

So investors not just all over America, Mr. Speaker, but all over the world are going to have options that they look at on where they want to invest their hard-earned money, and many of them are going to say all of a sudden there is all this murky uncertainty, Do I really want to invest in the secondary mortgage market when all of a sudden somebody could turn around and sue me? I didn't originate the mortgage. I don't know the homeowner. I don't even know the person who signed the loan documents. I'm just trying to have an investment for my family, and all of a sudden I can be held liable. Maybe I'll go invest in something else.

At a time when we need even more liquidity in the market this provision will lead to less liquidity.

And all of a sudden we have this murky legal standard. All of a sudden we have got loan originators having to identify loan products that are ''appropriate.'' Well, if you want to talk about a standard that's in the eye of the beholder, it's ''appropriate.'' We talk about ''net tangible benefit.'' Well, who is supposed to determine that? How is that going to be discerned? Loans with ''predatory characteristics,'' well, one person's predatory characteristics may be another person's homeownership opportunity.

We still have to remember, Mr. Speaker, that for all the subprime loans that have gone bad, millions and millions of Americans have had an opportunity to own their first home because of the subprime market. And